

### 4.1 Significance of Tea factory insurance policy.

Not like other insurance policies tea factory policy contains 26 nos of Warranties  
The following Warranties apply to the Tea Factories covered under this policy.

1. Warranties Nos. 1 to 8 inclusive must be applied to all policies covering buildings and or contents of Tea Factories
2. Warranties Nos. 9 to 12 inclusive must be applied to all policies, unless the appropriate extra premium set out in the Schedule of Loadings is charged.
3. Warranties Nos. 13 to 25 inclusive must be applied to all policies to obtain the appropriate rate reduction in accordance with the Schedule of Allowances.
4. Warranty No.26 must be applied to all policies covering silent



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#### Note

If 1-8 compulsory warranties are not complied then no claim will be liable to pay.

#### **Warranty -1**

That the factory and all its equipment and machinery be open at all reasonable times during working hours for inspection by an authorized inspector employed by the Sri Lanka Insurance Corporation Ltd and all section of the machinery, electrical installation and other equipment affected by the Warranties forming part of this policy be maintained in an efficient condition and state of good repair.

## **Warranty -2**

That the attached Drier & Engine Rules be observed.

### **Rules**

1. All chimneys, exhaust systems and flues carrying off the products of combustion shall be of steel or iron of a minimum thickness of 1/8", stone, concrete or bricks so constructed as to facilitate cleaning throughout their entire length and, if of metal, so placed as to be at least 12 inches from any combustible material. All flue manhole covers shall be of incombustible material, those within the factory being of stone, reinforced concrete or iron with stone or concrete heat-insulating tops.
2. The complete section of any metal chimney or flue showing signs of perforation shall be replaced, and patchwork repair is not permitted.
3. Every duct shall be of incombustible material.
4. Before the construction of horizontal chimneys and drier heater separation walls is commenced, detailed specifications and plans must be submitted to the Sri Lanka Insurance Corporation Ltd and approved.
5. All engine exhausts, other than those of internal combustion engines used for charging air vessels, must discharge into the open air.
6. All woodwork in the factory situated within 6 feet of the hot air outlet of any drier must be protected with asbestos sheeting or other incombustible heat insulating substance approved by the Sri Lanka Insurance Corporation Ltd. of not less than 3/16ths of an inch thick (fitted in such a way as to avoid any intervening space between the protecting material and the woodwork) unless the drier outlet be fitted with a deflector.
7. Drier chimneys may be either vertical or horizontal.
  - (i) If vertical, and within 45 feet of the factory, they shall be carried to height to not less than 10 feet above the eaves and furnished at the base (but not below any damper) with a door providing adequate access for cleaning with a sweep's brush.

(ii) If horizontal : (a) Such chimneys and flues shall be of brick, stone, or concrete and so built as to discharge into a vertical section of a minimum height of 6 feet situated more than 45 feet from the factory (or any building within 30 feet thereof) and no cross-sectional dimension of the flue and chimney shall be less than 24 inches.

(b) Manholes shall be provided throughout the length of the flue at a maximum distance of 16 feet apart.

(c) No sections of a flue may form a declivity in the direction in which the gases are intended to travel.

(iii) Whether the chimneys be vertical or horizontal, any controlling dampers in the flues and/or chimneys of oil fired driers, other than those of the direct fired type, must be fitted with attachments to prevent their being fully closed.

#### **Warrenty-3-Periodic Cleaning.**

That drier heaters be thoroughly examined weekly and luted and pointed as necessary and all chimneys and flues be thoroughly cleaned weekly that all tea fluff dust and similar waste matter be removed daily from driers, heaters, ducts, deflectors and hot air bulking chambers in the factory and not less often than once in seven days from all electrical equipment, open electric wiring, attics and concealed spaces in which hot air circulates in such building ; and that the fluff, dust and similar waste matter so removed be not kept in the factory overnight.

#### **Warrenty-4-Oil and Spirit**

That no oil or spirit having a flash point below 150° F be used or stored in or within 50 feet of the factory or in or within 50 feet of any building, which, on account of proximity at the factory rate, except :-

(a) Kerosene oil on the ground floor, in the reservoirs of non-pressure lamps used for oil filters or for illumination and in the reservoirs of not more than two Primus stoves and two blow lamps, none of which lamps or stoves shall be cleaned or filled inside the building.

(b) Oil or spirit to the extent of the capacity of the reservoirs of internal combustion engines used for driving air pressure pumps.

#### **Warrenty-5 - Heaters and Artificial Lighting.**

That no heaters be installed or used in the upper floors or withering areas of the factory and only the following



Artificial illuminants be used, Sri Lanka.  
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(a) In attics-battery operated portable electric torches and closed candle lanterns.

(b) In all other upper floors, bulking chambers and withering areas-electric light and closed candle lanterns.

(c) In all other sections of the factory- electric light, closed candle lanterns and non-pressure oil lamps and that oil lamps and candle lanterns be of efficient design and be kept clean and in good repair.

#### **Warrenty-6-Electrical Installation**

That the electrical installation in the factory be erected and maintained in accordance with the rules of the Sri Lanka Insurance Corporation Ltd. which require, interalia, that before any rewiring alteration of or addition to the installation is carried out, a scale plan giving all particulars of the intended work be submitted to, and approved by the Sri Lanka Insurance Corporation Ltd.

#### **Warrenty-7-No Smoking**

That no smoking be permitted in the factory or in any building attached thereto and that notices to this effect, written in English, Sinhalese and Tamil, in letters at least 3 inches high, be exhibited at each entrance to the factory.

#### **Warrenty-8-Methyl Methacrylate**

That no combustible glass-substitutes (e.g. methyl methacrylate and materials of fiber-glass bonded with a thermo-setting plastic) be used for windows or other constructional purposes in the factory.

#### **Warrenty-9-Firewood**

That no firewood other than that required for one day' consumption, be at any time allowed in the factor or within 30 feet thereof.

#### **Warrenty-10-Jute Hessian**

That no jute Hessian other than that actually in use for the spreading surfaces of withering tats be fitted or stored within the factory.

#### **Warrenty-11-Circular Saws**

That no circular saw be installed or used in, or within 30 feet of, the factory unless housed in a separate building or in an outside ground floor verandah room the enclosing structure having in either case an incombustible floor and all walls, other than that most remote from the main body of the factory of cement, stone concrete, or burnt brick of a minimum thickness of 10 inches and carried up to an incombustible roof and roof frame, the openings in such walls being the minimum necessary for the accommodation of a power drive.

### **Warrenty-12-Ducts**

That no duct, as defined in the Drier and Engine Rules be allowed in the factory.

### **Warrenty-13-Drier Outlets**

- (a) That no duct as defined in the Drier & Engine be allowed in the factory and
- (b) That no hot air outlet of any drier be situated with 10 feet measured in a horizontal direction, of an opening in the ground floor ceiling, unless such hot air outlet be fitted with a deflector as defined in the Drier & Engine Rules.

### **Warrenty-14-Engine Exhausts**

That no engine exhaust, other than the exhaust of an internal combustion engine used for charging air vessels, discharge:-



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- (a) within 30 feet of the factory, except in a horizontal direction away from the factory with the point of discharge not less than 2 feet from any part of the factory and not more than 9 feet above the level of the engine room floor.
- (b) within 9 feet of any other building

### **Warrenty-15-Withering Tats**

That there be withering tats within the factory or that if any withering tats be installed, the spreading surfaces thereof, and the tat frames and tat posts be of incombustible material. (e.g. metal asbestos)

### **Warrenty-16**

That the spreading surfaces of all withering tats within the factory be of non inflammable material approve by the Sri Lanka Insurance Corporation Ltd.

### **Warrenty-17-Heater Separation**

That the heater sections of all driers in the factory be situated in a room completely enclosing them, abutting on the compound or yard of the building and having an incombustible floor and non cavity walls of brick stone or concrete, not less than ten inches in thickness and carried up to a roof entirely of concrete or Ferroconcrete in neither case less than five inches in thickness there being therein no windows, roof lights or openings other than the minimum necessary in the walls for the accommodation of a power drive and rotating iron doors constructed to the specifications of the SriLanka Insurance Corporation Ltd (which can be obtained from the Sri Lanka Insurance Corporation Ltd.) except that the wall most remote from the main factory building may be omitted, or may be of any incombustible construction (timber bearers, windows and doors allowed) provided that, if present, it contains permanent openings permitting an adequate supply of air for the efficient working of the drier and heaters; and that any section of the factory situated over the drier heater room be provided with concrete floor of a minimum thickness of five inches.



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### **Warrenty-18-Horizontal Chimneys**

That the heater sections of all driers be isolated in accordance with Warranty No.17; that all the product of combustion there from be carried off by horizontal chimney or chimneys constructed in accordance with Drier & Engine No.7 (ii) and that there be no driers of the direct fired type from which the products of combustion discharge at any point within the factory.

### **Warrenty-19-Factory Constructions.**

That the external walls of the factory, including the linings thereof, contain no combustible material other than:

- (a) Timber bearers
- (b) Timber window frames
- (c) Timber beading over the joint incombustible linings.

### **Warrenty-20**

That the top loft ceiling and the roof including, in both cases, the framework and supports thereof, contain noncombustible material.

### **Warrenty-21**

That in the factory there be no fans for the circulation of air in the lofts and no bulking chamber, alternatively that, with the under noted exceptions, no combustible material be used in, and in the supporting framework of the walls, floors, ceilings, partitions, doors, door frames, gangways and all other sections of the bulking chamber. In the main external walls of the factory forming part of the bulking chamber, timber, for:

- (a) Window frames.
- (b) Supports of external metal cladding provided that such walls are fitted with incombustible linings.
- (c) Timber beading over the joins in incombustible linings.



#### **Warrenty-22-Absence of Heaters**

That no drier heaters, no equipment for generating heat by direct combustion, other than equipment used solely for tea tasting and starting oil engines, and no heater chimneys conducting the products of combustion be allowed in, or within 30 feet of the building.

#### **Warrenty-23-Water Power**

That there be no internal combustion engines in the Factory and that the machinery be driven directly by water power only.

#### **Warrenty-24-Fire Extinguishing Appliances**

That the current Fire Extinguishing Appliance Rules be observed in the factory.

#### **Warrenty-25-Sprinkler**

That an automatic sprinkler installation satisfying Srilanka insurance corporation



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It is warranted that, notwithstanding the requirements of any other warranty attached to this policy, the employment of personal in tea manufacture or in any other type of worries prohibited in the factory, save as may be essential for cleaning and the following maintenance work and compliance with the requirements of Warranty No. 25 if applicable The operation of the driers, the engines, the dynamos and other machinery for not more than two hours at intervals of not less than seven days is permitted with the proviso that the Tea maker, or another responsible employee authorized by the Superintendent, must be present throughout the maintenance tests and must remain in the factory for a period of two hours after completion of the tests.

During this period the Tea maker, or other authorized employee, must inspect all parts of the factory to ensure that no fire hazard has arisen as a result of the tests. A form of Log

Book must be kept in the factory in which must be recorded the periods of the maintenance tests and the time of closing the factory, together with the recorded confirmation of the authorized employee that the factory was inspected and found in order before being closed again.

#### Fire Extinguisher appliance rule.

There shall be installed and maintained in efficient working order in the factory.

Drier Room : Two soda-acid or water (gas-expelled) extinguishers and six buckets of water.

Sifting Room : One soda-acid or water (gas-expelled) extinguisher and six buckets of water.

Engine Room : One foam type extinguisher and four buckets of dry sand or ashes.



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Withering Lofts : In each loft one soda-acid or water (gas-expelled) extinguisher and six buckets of water for each 2,500 square feet superficial area or part thereof.

#### 4.2 Technical aspects of Insurance (Optimal Technical Solution)

- Always insure a tea factory including buildings, Plant & machinery for reinstatement value in a fire insurance policy. If sum insured is less than the amount required to be insured the insurer shall pay only such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

Example – Part of the tea factory is destroyed due to a fire. Repair cost of damage is Rs 10,000,000/- According to the policy sum insured is Rs 100,000,000/- Reinstatement cost of the factory building is Rs 200,000,000/-

$$\begin{aligned}\text{Average condition} &= \text{Rs } 10,000,000 \times 100,000,000 / 200,000,000 \\ &= \text{Rs } 5,000,000/-\end{aligned}$$

- Include all the properties in the tea factory.
- Fill up insurance proposal form correctly & declared the entire particulars correct manner.
- Obtain all additional perils (Flood/Explosion/Cyclone/storm/Tempest/Bursting overflowing water tanks/Malicious damage/Riot & strike/Terrorism / spontaneous combustion/Electrical extra/Burglary/Earth Quake with fire and shock)
- Obtain other covers (removal of debris/architectures & engineers fees cover/alteration of accommodation)
- Comply compulsory warranties No 1 to 8 and other recommendations made by risk surveyor.
- Obtain electronic equipment cover for electronic equipments (Color separators/Weighing scales/Telephone system/automation systems)
- Obtain machinery breakdown cover for plant & machineries. (dryers/tea rollers/motors & sifting machines)